

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

**In the Matter of:**

**Veronica Armstrong**

**Former Officer of**

**Hudson City Savings Bank**

**Paramus, New Jersey**

**OTS No. 17969**

**Re: OTS Order No.: NE-05-06**

**Dated: May 3, 2005**

**STIPULATION AND CONSENT TO**  
**ISSUANCE OF AN ORDER OF PROHIBITION**

**WHEREAS**, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Veronica Armstrong ("Armstrong"), former officer of Hudson City Savings Bank, Paramus, New Jersey ("Hudson City" or the "Institution") that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceeding against Armstrong pursuant to 12 U.S.C. § 1818(e);<sup>1</sup> and

**WHEREAS**, Armstrong desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist and without any adjudication on the merits, but admitting the statements and conclusions in Paragraph 1 below, and subject to Rule 408 of the Federal Rules of Evidence, hereby stipulates and agrees to the following terms:

**1. Jurisdiction.**

(a) Hudson City, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, Hudson City was an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) Armstrong, as a former officer of Hudson City, is an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within 6 years of the date hereof. *See* 12 U.S.C. § 1818(i)(3).

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<sup>1</sup> All references in this Stipulation and Consent to Issuance of an Order of Prohibition ("Stipulation") are to the United States Code as amended.

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an enforcement proceeding against a savings association’s institution-affiliated parties. Therefore, Armstrong is subject to the authority of the OTS to initiate and maintain administrative prohibition proceedings against her pursuant to 12 U.S.C. § 1818(e).

## **2. OTS Findings of Fact.**

The OTS finds that:

(a) Armstrong violated laws and regulations and engaged in unsafe and unsound practices while serving as an officer of Hudson City, in that she engaged in numerous acts of check-kiting from March through December 2004;

(b) By her conduct, Armstrong prejudiced the interests of the Hudson City’s depositors, and she received financial gain; and

(c) Armstrong’s actions involved personal dishonesty or willful or continuous disregard for the safety and soundness of Hudson City.

## **3. Consent.**

Armstrong consents to the issuance by the OTS of the accompanying Consent Order of Prohibition (“the Order”). Armstrong further agrees to comply with the terms of the Order upon issuance and stipulates that the Order comply with all requirements of law.

## **4. Finality.**

The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the Northeast Region, OTS, the Orders shall be final, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(e).

## **5. Waivers.**

Armstrong waives the following:

(a) The right to be served with a written notice of the OTS’s additional charges against her;

(b) The right to an administrative hearing of the OTS’s charges against her;

(c) The right to seek judicial review of the Orders, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise, to challenge the validity of the Orders; and

(d) Any and all claims against the OTS, including its employees and agents, or any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter or the Orders, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412.

#### **6. Indemnification.**

Armstrong shall neither cause nor permit Hudson City or any holding company, subsidiary, or service corporation thereof to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Orders. Nor shall Armstrong obtain any indemnification (or other reimbursement) from Hudson City or any holding company, subsidiary, or service corporation thereof with respect to any amounts paid for restitution, reimbursement, or penalties. Any such payments received by or on behalf of Armstrong in connection with this action shall be returned to Hudson City (if Hudson City made such payment) or the holding company, subsidiary, or service corporation that made such payment.

#### **7. Other Government Actions Not Affected.**

(a) Armstrong acknowledges and agrees that her consent to the issuance of the Orders is for the purpose of resolving any and all claims or causes of action that the OTS has or may have against Armstrong as of the effective date of the Orders and any and all claims or causes of action that Armstrong has or may have against the OTS or its Director, employees, or agents as of the effective date of the Orders, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Armstrong that arise pursuant to the subject matter of this action or otherwise, and that may be or have been brought by any other government entity other than the OTS, including without limitation the United States Department of Justice.

(b) By signing this Stipulation, Armstrong agrees that she will not assert this proceeding, her consent to the issuance of the Orders, and/or the issuance of the Orders, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other Federal or state governmental entity.

#### **8. Agreement for Continuing Cooperation**

Armstrong agrees that, at the OTS's written request, without service of a subpoena, she will provide discovery and will testify truthfully at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by OTS relating to Hudson City or its institution-affiliated parties, except that Armstrong does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If Armstrong invokes her privilege against self-incrimination under the Fifth Amendment of the United States Constitution and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 *et seq.*,

Armstrong agrees, consistent with any such grant of immunity, to provide discovery and to testify truthfully at any judicial, administrative, or investigative proceeding for which immunity is given.

**9. Acknowledgement of Criminal Sanctions**

Armstrong acknowledges that this Stipulation and the Order are subject to the provisions of 12 U.S.C. § 1818(j).

**10. Miscellaneous**

(a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America;

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns;

(c) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Orders;

(d) The terms of this Stipulation and the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and

(e) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

**WHEREFORE**, Armstrong executes this Stipulation and Consent to Issuance of an Order of Prohibition, intending to be legally bound hereby.

By:

Accepted by:

OFFICE OF THRIFT SUPERVISION

/S/

/S/

Veronica Armstrong

Robert C. Albanese  
Regional Director, Northeast Region

Dated: 4-21-2005

Dated: 5/3/05

ACKNOWLEDGMENT

State of New Jersey

County of Hudson

On this 31 day of April, 2005, before me, the undersigned notary public, personally appeared Veronica Armstrong and acknowledged her execution of the foregoing Stipulation and Consent to Issuance of an Order of Prohibition.

  
Notary Public

JOSEPHINE SPALTRO  
My Commission expires Notary Public  
State NJ  
Comm Exp. 08-27-2005

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

<u>In the Matter of:</u>	)	
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Veronica Armstrong	)	OTS Order No.: NE-05-06
	)	
Former Officer of	)	
	)	Dated: May 3, 2005
Hudson City Savings Bank	)	
Paramus, New Jersey	)	
OTS No. 17969	)	
	)	

**CONSENT ORDER OF PROHIBITION**

**WHEREAS**, Veronica Armstrong ("Armstrong") has executed a Stipulation and Consent to Issuance of an Order of Prohibition ("Stipulation"); and

**WHEREAS**, Armstrong, by her execution of the Stipulation, has consented and agreed, without admitting or denying the OTS Findings of Fact, to the issuance of this Consent Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1818(e);

**NOW, THEREFORE, IT IS ORDERED THAT:**

1. Armstrong, except upon the prior written consent of the OTS, acting through its Director or an authorized representative, and any other "appropriate Federal Financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(a) Hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- (i) Any insured depository institution, *e.g.*, savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) Any institution treated as an insured bank under 12 U.S.C. § 1818(b)(3) or § 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), *e.g.*, subsidiaries and holding companies of banks or savings associations;

2. This Order is subject to the provisions of Section 8(j) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(j).
3. The Stipulation is made a part hereof and is incorporated herein by this reference.
4. Armstrong shall promptly respond to any request from the OTS for documents or information that the OTS reasonably requests to demonstrate compliance with this Order.
5. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and this Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

By: /S/  
Robert C. Albanese  
Regional Director, Northeast Region